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Washington's unemployment remains at 7.3 percent

OLYMPIA—Employment Security Commissioner Sylvia P. Mundy announced today that Washington's seasonally adjusted unemployment rate for May remained at 7.3 percent. The nation's seasonally adjusted unemployment rate rose one-tenth of a percentage point to 6.1 percent. Washington's non-adjusted unemployment rate declined two-tenths of a percentage point to 7.1 percent.

"The state's unemployment rate leveled off after rising over the past four months," said Mundy. "This pause in the unemployment rate's climb may be a signal that the weakness of the first quarter was due in large part to geopolitical concerns. Even if the economy is now poised for a gradual recovery, the labor market is likely to react slowly and the unemployment rate probably won't improve appreciably until late this year."

Washington's nonagricultural wage and salary employment increased by 24,100 in May—an increase of 0.9 percent. Most industries had normal seasonal gains in employment over the month, with only manufacturing declining (-700). Most of the weakness in the manufacturing sector was in aerospace product and parts, which fell by 1,100 jobs. Nondurable manufacturing, however, was up by 1,100 due to job gains in food processing. Some specific areas of weakness over the month were computer and electronic product manufacturing (-400), professional, scientific, and technical services (-700), and state educational services (-200). The decrease in professional and business services was due to a seasonal decline in accounting and bookkeeping services.

Construction showed considerable strength for a second month in both heavy and civil engineering (1,200) and specialty trade contractors (2,500). Retail trade was up by 3,600 jobs, while showing strength in all major sectors. Professional and business services were up by 2,100 with a gain of 900 jobs in employment services. Leisure and hospitality increased by 7,200 jobs, with strong gains in both accommodation and food services and drinking places. Most of the 3,900-job increase in government came at the local level, which was up 3,400 over the month.

Washington's year-over-year change in nonagricultural employment was up 3,500 or 0.1 percent from May 2002. In 2003, employment has risen steadily closer to year-ago levels. Job losses since May 2002 were concentrated in manufacturing, which is down 21,600. More than half of those losses came in the aerospace sector, which was down 12,000. Wholesale trade, transportation, warehousing and utilities, and information were also down from year-ago levels. Sectors with more jobs since last year include construction, retail trade, financial activities, professional and business services, education and health services, leisure and hospitality, and government. The increase in government is mostly accounted for by federal government (+1,600) and local government (+6,400). There was a slight increase of 300 jobs in state government.